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## BOOK REVIEWS

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*The Packers, the Private Car Lines and the People.* By J. OGDEN ARMOUR. Philadelphia: Henry Altenu Co., 1906. 8vo, pp. 380.

In the magazines many writers have discussed these subjects during the past two years. Books and official documents have dealt with them. Many of the writers have not hesitated to tell the people just how they were being robbed by the packers and the private car lines. Mr. Armour, who is certainly in a position to know, unhesitatingly and unequivocally declares that the information so abundantly provided is often based on ignorance and oftener on malice. He says two classes have a pecuniary interest in making the attack: the commission men, whose opportunity to rob fruit-growers through claims of damaged fruit has been destroyed by the efficient service of the private car line; and the publishers of magazines, whose circulation is increased more rapidly by sensational criticism of successful men and industries, than in any other way.

Mr. Armour certainly makes a strong case, by quotation and by arguments, in support of his charge of animus or malicious motive. He admits the existence of a prejudice against the packers, and thinks this is "inevitable and will always continue without regard to the manner in which the packing business is conducted" (p. 162). The reason for this prejudice he finds in the universal and extensive use of meat as a basis of living, and the necessity for higher prices of meats as population increases, with no new ranges or corn land to furnish additional cheap supplies. Also the consumer has a natural feeling of resentment against the man who furnishes the goods that *must* be bought.

The analysis of the motives of those who have conducted this vigorous campaign of criticism may or may not be correct. Mr. Armour may be in no better position to know about their motives and their business than they are to know about his. He is, however, in a position to speak with full knowledge when he treats of his own business. He is very frank and explicit in his statements. On many points he certainly scores against his critics and

leaves the reader with a feeling that, whatever advantages of wealth and power the packers possess, they have not been able to secure a square deal in the magazines.

No claim is made of philanthropic motives, or any motives other than ordinary business loyalty and self-interest; but Mr. Armour shows that pursuit of self-interest has led to the use of capital and business opportunity in a way that has vastly improved the well-being of all the community by bringing fresh meat, fruit, and vegetables within their reach the year around.

In his clever chapter on "Magazine vs. Actual Profit," Mr. Armour admits that the business pays a reasonable profit, but he says that the profit is not equal to that obtainable in other lines. On p. 72 he says:

Perhaps I am not called upon to say so, but I will make the statement that had I put my holdings, at the time I came into them, into railroads, national banks, and other enterprises, I should have made more money, made it with less trouble, and been subjected to less attack than I have been subjected to in the lines which I have followed.

In tracing the development of the private car-line three points are emphasized. First, the refrigerator-car was necessary to the development of the packing industry. Second, the railways refused at first to build refrigerator-cars, and thus forced the packers to furnish them or fail to grow. Third, railroad administration is not efficient enough to guarantee the promptness and cleanliness that are indispensable in the meat and fruit business.

From the time P. D. Armour was earnestly pleading with the railway management to furnish refrigerator-cars for his meat business, because he had not sufficient capital to go into the car business, until he was ordering 4,000 cars for the fruit business, seems in the book to have been a very short time, but perhaps the four or five million dollars required for the cars was borrowed. It could hardly have come from merely ordinary profits of the business.

Strong reasons are urged in favor of the exclusive contract which will make it possible for the private car line to make the needed preparations and carry the risk incidental to efficient service in the fruit regions. The interest of the car line in developing traffic is held to insure a reduction of refrigeration charges as rapidly as conditions permit, and the policy of the Armour Company is explicitly stated to be in favor of the most rapid reduction consistent with first-class service. It is further explicitly and broadly

stated that the private car lines are not used in any way to secure a reduction of rates, rebate, or discrimination of any kind in favor of any company or individual. Mr. Armour is in a position to know the facts, and his word should be as good as those of the commission men and magazine writers, who also have a motive and are dealing in suspicions more frequently than in facts. If Mr. Armour's statement that no favors from the railways are given the packers be accepted, it will be easy to accept his vigorous and unqualified statement that the price of cattle is and must be regulated by competitive forces. The industry is certainly one in which, aside from railway favors, monopoly will find greatest difficulty in securing control.

Though professedly an advocate's presentation on these important questions, it gives the reader the impression of being more straightforward and reliable than much of the "unbiased and public-spirited" criticism does. Similar statements from other men who are doing things would add much to public enlightenment and fair judgment.

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*Industrial Combination.* By D. H. MACGREGOR. London: George Bell & Sons, 1906. Pp. 245.

The author of *Industrial Combinations* presents the facts of the varied forms of modern industrial combinations in a new light. Everything that can be said either in favor of or against trusts, cartels, and unions is stated fairly and minutely. For every affirmative he has a negative, and by this method he tries, or lets the reader try, to strike a balance. He analyzes with much skill the various phases of modern organizations—their productive efficiency, the greater or less risk as compared with competitive methods, their bargaining strength, their resources—and discusses at length their relation to labor, especially in connection with trade-unions. He sums up his general views in the two final chapters—the attitude of public opinion and legislation.

Mr. Macgregor does not agree either with those who believe that the trusts must be demolished, or with those who regard them as a stepping-stone to a socialistic organization of production. Some economists boldly take the stand that the modern trust must